

U.S. DISTRICT COURT
SOUTHERN DISTRICT OF
NEW YORK

Chapter 11
Case # 1-12-40652-jf

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Affidavit of Ari Chitrik – Managing Member of Woodbury Development LLC

Ari Chitrik, being duly sworn states the following:

- 1- I currently reside at 730 Eastern Parkway, Brooklyn NY 11213.
- 2- I am a managing partner in Woodbury Development, LLC. The LLC is the owner of a parcel of land in New York State.
- 3- The property is currently being foreclosed on.
- 4- Further to my previous affidavit to the court contesting the authority of Mrs. Harfeness to file a bankruptcy petition for Woodbury Development LLC without my authority, please see attached a "Notice of Hearing" I received from Rabbi Sinai Halberstam.
- 5- Attached is my response to Rabbi Halberstam to his notice of hearing. I will not be attending the hearing for reasons outlined in my letter to him.
- 6- My basic argument is that the Partnership Agreement makes provision designed to provide a method by which the Managing Members can resolve differences concerning a decision which needs to be made by the Company, ***not to legitimize a decision which has already been made by one Managing Member without the approval of the other Managing Member.***
- 7- Thus, the bankruptcy petition made by Mrs. Harfeness, despite my explicit objections, as I unequivocally told her attorney on the day he filed, is not valid.
- 8- I repeat what I have written previously to the court:

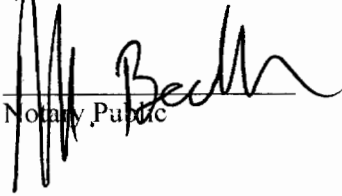
Dated: April 19th, 2012 New York

Ari Chitrik



_____, New York _____

Sworn to before me this
19 day of April, 2012


Notary Public

MORDECHAI BECK
Notary Public, State of New York
No. 01BE4789173
Qualified in Kings County
Commission Expires May 31, 2015

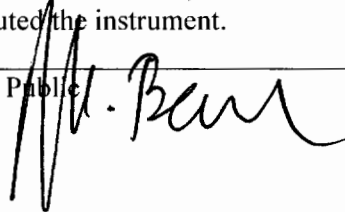
STATE OF NEW YORK)

COUNTY OF N.Y.) ss.

On the 19 day of April, 2012, before me, the undersigned, personally appeared **Ari Chitrik** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

MORDECHAI BECK
Notary Public, State of New York
No. 01BE4789173
Qualified in Kings County
Commission Expires May 31, 2015

Notary Public



Ari Chitrik
730 Eastern Parkway
Brooklyn NY 11213

April 18, 2012

Dear Rabbi Halberstam,

I trust all is well with you and family.

Re: Your request to convene a hearing on the 20th of April, 2011.

Firstly, Paragraph 15.2 of the Operating Agreement was designed to provide a method by which the Managing Members can resolve differences concerning a decision which needs to be made by the Company, ***not to legitimize a decision which has already been made by one Managing Member without the approval of the other Managing Member.***

That is why paragraph 15.2 permits one Managing Member to submit disputes concerning prospective -- *future* -- decisions to you when "the Managing Members are unable to reach a decision pursuant to subparagraph 15.1". (not when a decision has *already been made*).

Paragraph 15.1 also deals with prospective or future decisions and provides that "All decisions of the Company **shall be made** only ..." Thus, the Operating Agreement clearly does not authorize Mrs. Harfeness to ask any arbitrator named in the agreement to ***belatedly*** legitimize an action which she took in direct violation of paragraph 15.1.

As the filing of the Bankruptcy was in violation of paragraph 15.1, it is now for the Bankruptcy Court to determine whether it is a valid Bankruptcy proceeding.

Only after the Court makes that decision will the issue of *future* decisions in the Bankruptcy Proceeding be an issue for both Managing Members to discuss. And, only if the Managing Members cannot mutually decide how to then proceed in the legitimate Bankruptcy proceeding, can we discuss whether paragraph 15.2 applies in a Bankruptcy.

Secondly, a request for a hearing needs to be made by one of the partners of the LLC. Respectfully, I doubt you have the authority, *as per the agreement*, to call either one of us for any hearing.

Lastly, you told me explicitly in December of 2007 that "I have had it with this case. I have done all I can. Please leave me out of this."

I can't blame you for such a decision

Respectfully, you are no longer an arbitrator in this case.

As per Paragraph 15.2 of the Operating Agreement if your honor is unwilling to act, then we need to turn to another arbitrator. Namely - the Machon Hahoroa in Monsey.

This is exactly what I did.

Machon Hahoroa sent multiple summonses to Harfeness to appear before them. He refused and they (copy enclosed) allowed me to refer this case to file a complaint to the State Court. **Something I did not do.**

So it is rather a bitter irony that now, when all is unfortunately lost, Harfeness is using your good name to "kasher" his ridicules and useless acts that will get us all nowhere.

U.S. DISTRICT COURT
EASTERN DISTRICT OF
NEW YORK

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Filing a sham and fraudulent bankruptcy that will hurt us all in the long run (negative credit rating that ruins future business, sanctions and penalties from the court etc.) is not something that was thought out fully before it was done.

I lost close to 4 million dollars in this fiasco. Harfeness – zero.

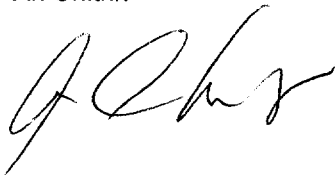
I wish to put this saga behind me and move on with life.

Instead of letting this go, Harfeness has now ruined my name in the credit community with this unauthorized filing by associating my name as a partner in a company that has declared bankruptcy.

Wishing you all the best,

Respectfully,

Ari Chitrik

A handwritten signature in black ink, appearing to read 'Ari Chitrik', written in a cursive style.

Rabbi Sinai Halberstam

הרב סיני הלבפשטאם

בלאזמערדי כ"ק מרן חזו"צ רבי ישראל זעלנער
אגודת וויזשניצא נ"י

1214 - 43 Street, Brooklyn, New York 11219

(718) 871 - 1818 (EVENINGS) (718) 633 - 5328 (DAY)

CONGREGATION DIVREI CHAIM

ת"ד

NOTICE OF HEARING

To:

BY FAX AND CERTIFIED MAIL

Deborah Harfenes
1241 42nd Street
Brooklyn, New York 11219
Fax No. (917) 658-3567

BY FAX AND CERTIFIED MAIL

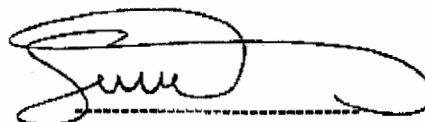
Ari Chitrik
730 Eastern Parkway
Brooklyn, New York 11213.
Fax No. (212) 382-2050

You are both hereby notified that, pursuant to paragraph 15.1 of the Operating Agreement of Woodbury Development LLC (the "Debtor"), dated January 22, 2003 (the "Operating Agreement"), I will convene a Hearing at 1049 38th Street, Brooklyn, New York 11219 on April 20, 2012, at 10:00 a.m., for the purpose of resolving the following management deadlocks and controversies:

- (1) whether Ms. Deborah Harfenes, a managing member of the Debtor, had authority to file a Chapter 11 petition on the Debtor's behalf on January 31, 2012 in order to stave off a foreclosure sale of the Debtor's Property scheduled for the next day, February 1, 2012, where Mr. Ari Chitrik refused to consent to the bankruptcy filing to help save the Property; and
- (2) whether Ms. Harfenes has authority to make all managerial decisions on the Debtor's behalf during the pendency of the Debtor's Chapter 11 bankruptcy case, and any other outstanding issues that the parties agree to raise before me.

You are both required to attend at that time and place, and any adjourned dates, to resolve these issues. You will have the right to be heard, to present evidence, to cross-examine witnesses and to be represented by counsel.

Dated: 24 Nissan 5772 / April 16, '12



Rabbi Sinai Halberstam

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FEDERAL COURT
SOUTHERN DISTRICT OF
NEW YORK

בעזה"ת

כתב היתר ערכאות

לכבוד ר' אהרן חיטריק נ",

שלו' וכט"ס

הננו עפ"י בקשתכם להודיע לכם בשם הבי"ד, בנידון ההזמנות ששלחו הבי"ד לר' משה שאול הארפענעס נ"י וזו' תחי' הנתבע עפ"י בקשתכם, שהיות שעד היום לא קבע הנתבע הנ"ל זמן לדי"ת, וגם לא קבע זמן לדי"ת אצל בי"ד אחר,

ע"כ הבי"ד מתירים אתכם לתבוע את הנתבע הנ"ל בערכאות על תביעתכם שנשלחו הזמנות מהבי"ד.

וע"ז באעה"ח בשם הביד"צ
יום ח' אייר תשס"ח לפ"ק

ספר"ד